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Folio:

APRIL 1985 THE MAGAZINE FOR MAGAZINE MANAGEMENT $6.00

'84: Billion dollar acquisition year

Major public purchases provide more information than ever before on the type of deals made, the acquisition process, who the key players are. Consultant James Kobak analyzes the biggest transactions. 82

How to pick the right list

List selection needn't be a gamble. Some pros share the basics: the mechanics, what works, what to look out for. 96

Make your ad research into a sales tool

Research can be the most useful component of your ad marketing strategy. Mort Grossman tells how to get the most out of it. 105

'Excellence and quality' Annenberg's axiom

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How long will easing of paper crunch last?

The slight easing of the paper crunch experienced in the first quarter may not continue through the year. Much depends on catalog demands, the economy, magazine and printer inventories. 23

$ millions

U.S. News & World Report
$100.0

Billboard
$40.0

Interior Design and *Corporate Design*
$25.0

Major 1984 magazine acquisitions

Ziff-Davis consumer magazines
$362.5

17% of The New Yorker
25.5

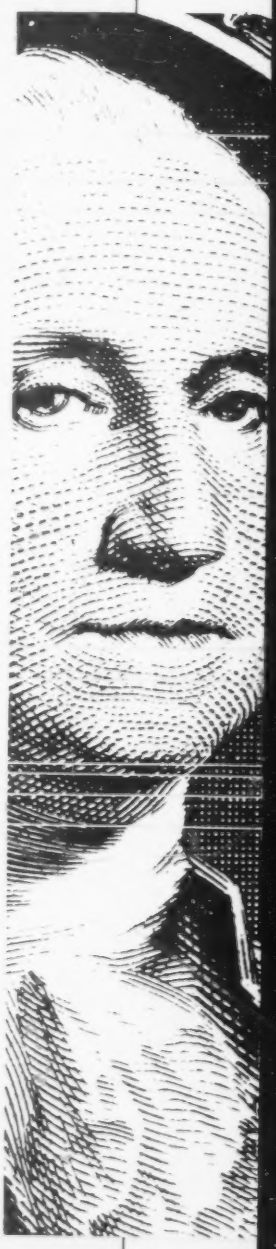
Institutional Investor
$72.0

Art in America
$5.0

New Woman
$20.0

Gourmet
$24.0

Ziff-Davis business magazines
$350.0



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ries published by Standard Rate and Data Service (*SRDS*).

Previously, ABC and BPA each had its own classification scheme. The separate SRDS system, however, was more prominent in the industry, according to various sources.

Greater exposure a plus?

The advantage of merging the old ABC and BPA classifications, in addition to the benefit of comparability, is, say its supporters, that the new system gives publications greater exposure in the marketplace. This greater exposure, they say, results from the fact that each magazine is listed within a primary market segment heading—and then that heading is listed within a broadly defined major market group. In contrast, under other systems, a publication is listed under a primary market segment heading—and that segment is not further grouped.

Contacted by FOLIO:, Arthur M. Spence, president of Geyer-McAllister Publications Inc., said he "didn't see the point" of instituting a new classification system. The SRDS system, he asserts, has the advantage of already being used by most people. He adds that he thinks there is nothing to be gained because, although the SRDS system is flawed, the new ABC/BPA system also has its faults, in his opinion. He says he personally is unhappy, for example, that *Playthings*, a Geyer-McAllister magazine edited for mass merchandisers of toys, is classified in the new system under general/specialty retailers.

John K. Abely, president of Technical Publishing Company, comments: "It makes no sense to me at all. They're trying to accomplish what can't be done." Abely, who, like Spence, is a member of the American Business Press board of directors, points out that there are inherent differences between paid and controlled circulation publications that make complete comparisons impossible.

Many years of negotiation between publishers and SRDS have produced subtle, but important, nuances in how the SRDS headings are written, says Thomas Dempsey, chairman of Penton/IPC. Those nuances are lost in the new ABC/BPA system, he complains. Under the SRDS system, a publisher also benefits because he can choose to list his magazine under several broad categories, he says; with the new ABC/BPA system, a publisher with a broad-based magazine can only list the publication under one narrow classification.

Finally, Dempsey asserts, the SRDS directory has the advantage that it lists all magazines no matter who audits them—or even if they are not audited. This is something many media buyers want in a guide, he said. Under the ABC/BPA system, however, only ABC members are in the ABC guide and only BPA members are in the BPA guide.

Acknowledging that he has a definite self-interest in the issue, Dale Bauer, president of Macmillan Inc., which publishes the SRDS directories, claims that, because those directories are so widely used, the new system, with its different classification scheme, will only confuse matters.

ABC: Still behind the new system

At ABC, vice president Robert Roberts continues to support the new joint system. Fewer than 10 publishers even made "inquiries" after ABC's 274 publishers were asked for comments about the system, he stresses. It is "surprising news" to him, he told FOLIO:, that BPA would consider adopting the SRDS classification scheme. In the past, he says, BPA "studiously avoided using SRDS."

William J. Mackey of the Rumrill-Hoyt ad agency, who is chairman of the MCC comparability committee, says that he has received no major complaints about the system his committee developed.□

Seven of nine PIB categories show ad gains

Business magazines are revenue gain leaders; fashion/service category is runner-up

New York City—Seven out of nine magazine categories studied by the Publishers Information Bureau (PIB) showed an increase in ad pages for 1984, and seven also showed an increase in ad revenue.

Overall, PIB's 137 members showed a record-breaking 16.5 percent increase in ad revenue (total revenues: $4,667,984,386) and a healthy 8.5 percent increase in ad pages over 1983 (total pages: 153,803.49).

The category with the highest percentage increase in revenues was business magazines, with a 23.7 percent increase. Pages for the category were up 22 percent. *Venture* magazine showed the sharpest increase within the group, with a 54.5 percent gain in revenues and a 31.8 percent gain in pages. *Harvard Business Review* was the only magazine within the group to show a decline (-4.7 percent) in ad pages, but its revenues were up 6.3 percent.

The next highest category in terms of revenue gains—the "fashion and service" category—had been the leading revenue gaining category in 1983. Revenue for the category for 1984 was up 22.2 percent; ad pages were up 10.5 percent. Within the group, *Harper's Bazaar* was the leader once again, with a revenue gain of 30.1 percent and a page increase of 17.3 percent.

Following fashion and service was the "home" category which showed a revenue gain of 19 percent and an ad page increase of 8.3 percent. *Country Living* posted a dramatic 71.5 percent increase in revenues and a 25.1 percent increase in ad pages. *Southern Accents* showed a 69.9 percent increase in revenues and a 57.9 percent increase in pages.

Overall, monthlies showed a 16 percent increase in revenues, as did weeklies and biweeklies. The monthlies showed a page gain of 8.8 percent, while weeklies and biweeklies showed a page gain of only 3.7 percent.

Among the monthlies, *Sylvia Porter's Personal Finance* magazine stood out, with a 585.1 percent increase in revenues and a 624.3 percent increase in pages. The magazine jumped from 26.17 pages in 1983 to 189.53 pages in 1984. *American Health* also registered a large revenue increase—152.2 percent—and a page gain of 57.3 percent.

The "outdoor and sports" category had a revenue increase of 13.7 percent and a page gain of 4.1 percent. The "mechanics and science" category registered an 8.1 percent increase in revenues but a 4.2 percent decrease in pages.

The women's category had a revenue gain of 12.8 percent in 1984, with pages up 4.5 percent. *Self* led the way within the group, with a revenue gain of 40.7 percent and a page increase of 24.8 percent. *Working Woman* had a revenue gain of 30.4 percent and a page increase of 8.5 percent. *Prevention* showed decreases in revenues and pages. *Woman's Day, Good Housekeeping* and *True Story* all showed increased revenues but decreased pages for 1984.

Boys' Life, which comprises the youth category, showed a decrease in revenue of 21.4 percent and a decline in pages of 25.5 percent.

Newspaper supplements had a slight decline in ad revenues of 1.4 percent, but an increase in pages of 5.3 percent.□

Magazines ranked by ad pages: 1984

Rank	Publication	Pages	% change from 1983
1	*Business Week*	4971.62	7.1
2	*People*	4062.88	17.9
3	*Forbes*	3834.13	12.7
4	*TV Guide*	3799.59	4.6
5	*The New Yorker*	3539.43	–2.8
6	*Fortune*	3486.31	7.4
7	*Vogue*	3465.95	11.4
8	*Sports Illustrated*	3035.00	10.0
9	*Newsweek*	3003.48	2.0
10	*New York Magazine*	2943.48	0.8

Source: Publishers Information Bureau

Business Week ***again led*** *consumer magazines in total number of ad pages. Five of the top 10 magazines in ad pages for 1984 also ranked among the top 10 in ad revenues. All 10 were also in the top in 1983.*

Magazines ranked by advertising revenue: 1984

1984 Rank	1983 Rank	Publication	Revenues	% gain over 1983
1	1	*Time*	$335,589,383	12.1
2	2	*TV Guide*	304,264,688	12.9
3	3	*Newsweek*	247,094,704	13.0
4	5	*People*	232,888,231	32.8
5	4	*Sports Illustrated*	230,766,138	26.1
6	6	*Business Week*	184,782,417	18.3
7	7	*Good Housekeeping*	133,313,233	4.9
8	8	*Family Circle*	130,691,623	10.0
9	9	*Better Homes & Gardens*	126,134,446	15.7
10	11	*Reader's Digest*	111,854,487	10.1

Source: Publishers Information Bureau

Pulling back into the top 10 magazines in ad revenue is Reader's Digest, ***which ranked 11th in 1983. It replaces*** Woman's Day, ***which dropped from 10th to 12th place in 1984. The other nine magazines were also in the top 10 last year.*** People ***and*** Sports Illustrated ***traded places. The remaining seven publications retained their 1983 ranks.***

CONTINUED FROM PAGE 21

The 'piecemeal' verdict gave Sharon satisfaction, despite his final loss.

outpouring of the familiar refrain that the press, seen by many as arrogantly wielding its power to slash at public officials, deserved a large dose of its own medicine. Once again, the public turned its attention to the issue of how responsible a free press must be.

Sharon filed his $50 million libel suit over *Time*'s February 21, 1983, cover story about the official Israeli report on the 1982 Christian Phalangists massacre of Palestinians in West Beirut refugee camps. The massacre occurred shortly after Lebanese President-elect Bashir Gemayel was assassinated. Sharon contended he was libeled by a statement, midway through *Time*'s eight-page article about the massacre, that he had met with Phalangist leaders one day before the killings occurred and had "discussed the need" for revenge for the assassination. The alleged libel was aggravated when *Time* reported that details of the discussion were contained in Appendix B of the official Israeli report, Sharon charged.

Three decisions made

In reaching its verdict that *Time* had not libeled Sharon, the jury first decided that the disputed paragraph did convey a defamatory meaning—the first necessary component for libel of a public official. Two days later, it decided that the passage was false—the second component. Both of those decisions, by Judge Sofaer's orders, were announced in open court, heightening the tension and drama of the trial.

One week later, the jury reached a decision on the third and crucial test. Did *Time* act with malice by reporting the information, knowing it was false or having serious doubts about its accuracy? To that key question, the jury replied "no," thus ending the trial in *Time*'s favor. But it added a stinging footnote when its foreman read a statement chastising certain *Time* employees for being careless in reporting and verifying the information contained in the disputed paragraph.

Although *Time* won, Sharon's case worries the press because it was the first time a major foreign official had sued for libel in a United States court

4% growth through '89?

Ad receipts will outdistance those of circulation, predicts U.S. Commerce Dept.

Washington, D.C.—Annual revenue growth for the magazine industry should average 3.5 percent to 4.0 percent in constant dollars, through 1989, according to the United States Commerce Department. The department makes its predictions in its *U.S. Industrial Outlook 1985*.

According to the outlook, growth for advertising receipts should parallel the 4 percent annual growth predicted for constant dollar GNP. The reasoning given is that, with that kind of growth in GNP, advertisers should have big enough ad budgets to maintain healthy levels of ad spending.

Consumer purchases of magazines, meanwhile, could be affected by relatively slow growth (2 percent to 3 percent annually through 1989) in personal consumption expenditures and disposable personal income, the Commerce Department maintains.

While making its five-year forecast, the Commerce Department also predicted that in 1985 alone the magazine industry will experience a 4.3 percent increase in gross revenues. In 1984, the forecast states, gross revenues jumped 6.0 percent.

Cost hikes should be moderate

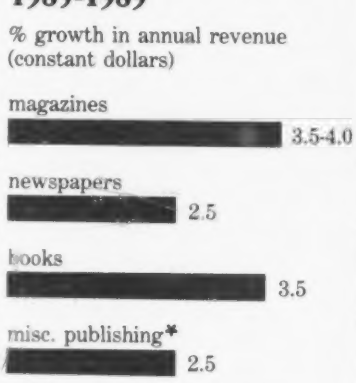
Other Commerce Department predictions for the next five years include the following:

•Paper, printing and postal costs should increase at a moderate rate and thus help contain magazine price increases. Such increases especially affect circulation receipts.

•Greater efficiency in existing paper mill machinery will slightly increase capacity for coated groundwood paper through 1986. No new groundwood machines are currently being constructed, and the earliest a new machine could be on line would be 1987. If paper demand holds at about 1984 levels, the paper market will remain tight.

Expected annual revenue growth by industry, 1985-1989

% growth in annual revenue (constant dollars)



*Includes directories, newsletters, calendars, racing forms, clothing patterns and other printed items.
Source: U.S. Department of Commerce

***Expectations are high** for revenue growth in the magazine industry over the next five years, as compared with U.S. Commerce Department predictions for other publishing sectors.*

•Magazine circulation could improve as more sophisticated computer analysis allows publishers to take a closer look at demographic, social and economic factors related to magazine sales.

•More publishers will install electronic editing systems and fully integrated pre-press systems. This equipment, by cutting lead time, will allow magazine publishers to compete more effectively with electronic media.

•Compared to the last decade, U.S. exports of periodicals should grow at a slower rate, especially if the U.S. dollar remains strong. Foreign newsstand demand could be significantly affected by higher cover prices. Factors that would work to increase growth abroad include the editorial quality of U.S. publications, the increasing use of English as a second language in foreign countries, more educated populations and the special-interest orientation of many U.S. magazines.□

New columnist to report on worldwide publishing

New Canaan, Conn.—To apprise American publishing executives—and those in other countries—about what publishers around the world are doing, FOLIO: has a new columnist: Robert J. Abramson. His first column appears on page 129.

Abramson specializes in the licensing of American and foreign periodicals and editorial materials. His clients include McGraw-Hill, Rodale Press, Macfadden and Reese Communications in the United States, and IPC, the Argus Group, Semic and Federal Publishing in Europe and Australia.

As world shrinks, expect more commingling of ideas, Abramson says.

Prior to establishing his own firm, Robert J. Abramson & Associates, in 1976, he was executive vice president of Universal Publishing and Distributing Corporation.

"In my travels, both East and West, I am constantly reminded that our European, Asian and Australian counterparts are a savvy, well-informed group of publishing executives—they are every bit as smart, imaginative and innovative as we," says Abramson.

"As the world continues to shrink, I expect there will be an ever-increasing commingling of ideas and techniques ranging from editorial presentation to coproduction," he adds.

to airfreight copies to distant points for entry into the postal system should find that the lighter plastic bags save them money. Loring Britton, distribution manager for the *Christian Science Monitor*, says that using plastic bags saves him about $20,000 per year in air freight charges, for example.

Christian Science Monitor was one of the first mailers to test the plastic bags for USPS when the bags first came out about two years ago. Since then, Britton says, some early design problems have been corrected on the bags, making them workable. He cites problems with the drawstring and with the bag tag holders as bugs now overcome. The next improvement will be the addition of tabs that will allow the bags to be hung on sack hangers, Britton reports. But overall, the plastic bags are far less difficult to handle than the canvas bags, he notes, so publishers who do not airship can still expect savings from internal operations by switching to the plastic sacks.

Mailers wishing to use the bags, which have recently been made available in brown for time-value publications as well, should arrange the switch with their local USPS transportation management office.□

PagePlanner now with Commercial Graphics

Lodi, N.J.—PagePlanner, a text editing and page layout program, is now a product of PagePlanner Systems, a division of Commercial Graphics, Inc. It was formerly a product of Westminster Software.

Although the current market for PagePlanner is typesetters and printers, Ian Burns, chairman and CEO of Commercial Graphics, told FOLIO: that the eventual market will be corporate publishers.

Burns said: "Westminster's biggest problem was no available support." Commercial Graphics, a wholly-owned subsidiary of WSB Commercial Graphics in England, has an arrangement with Allied Linotype (formerly Mergenthaler) to integrate PagePlanner into its Series 200.

When asked whom a publisher interested in the program (which costs $2,995) should contact, Burns answered "either PagePlanner Systems or Allied Linotype. That's a learning curve we're still findi g out about."

The PagePlanner includes text entry, H&J and electronic make-up. When interfaced with a typesetting machine, it can produce finished page repros with all type, rules and protected areas in place. A dictionary is also available.

Magazines using PagePlanner Software include *San Diego* and *Radio Electronics*, according to Ron Johnson, vice president of product planning and marketing. Columbia Publishing, a catalog publisher in New Jersey, is also using the software. *Radio Electronics* sends out disks for output; the other two publishers have output equipment (Mergenthaler 202) in-house.□

Coated paper capacity on the rise

14.5% increase expected between 1985 and 1987

New York City—Paper mills' capacity to produce coated paper will continue to increase over the next few years, according to estimates from the American Paper Institute. Capacity for coated groundwood is expected to increase by 43,000 tons in 1985 over 1984 figures, a gain of only 1.2 percent. Coated free sheet capacity will go up by 145,000 tons over the same period of time, representing an increase of 5.4 percent.

By 1987, capacity for coated groundwood should reach 4,262,000 tons, a 13.9 percent increase over 1985, representing a gain of 518,000 tons. 1987 capacity for coated free sheet should amount to 3,069,000 tons, a 7.7 percent increase over 1985, representing a gain of 220,000 tons.

Total capacity for all printing and writing papers is expected to reach 22 million tons in 1987, of which coated paper will comprise 7.3 million tons, or 9.6 percent of all paper and paperboard capacity. Between 1985 and 1987, to-

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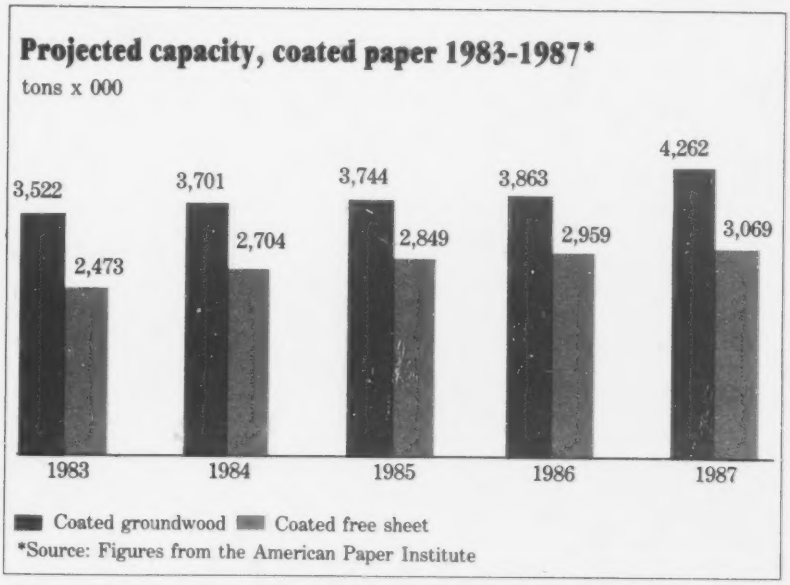


***Total capacity for groundwood and free sheet** coated paper, approximately 6.0 million tons in 1983, should have risen to 7.3 million tons by 1987, representing 9.6 percent of all paper and paperboard capacity.*

tal capacity for coated free sheet and coated groundwood will increase by 14.5 percent.

Planned capacity additions to printing and writing papers over the next three years should yield an average growth rate of 3.6 percent per year. The start up of at least seven new machines is anticipated.

International Paper, for one, will spend in excess of $200 million to convert an idle machine at its Pine Bluff, Arkansas, mill to produce coated publication paper. The project should be completed by the second half of 1986, according to a company spokesperson, and will have a capacity of 200,000 tons annually.

The plant originally produced newsprint but closed down in February of 1984 due to slackening demand. The decision was made to convert the machine in light of the swelling demand for coated stock for magazines, catalogs and advertising inserts.

In Grand Rapids, Minnesota, however, the Blandin Paper Company is holding off on its plans to build a new paper machine which would increase its production of coated paper by 67 percent, from 800 to 1,335 tons per day. Although demand for coated stock is high, the parent company, British Columbia Forest Products, is finding markets for its other products—primarily lumber and craft paper pulp—to be depressed, a spokesperson for Blandin said.□

Editors: Direct your magazine

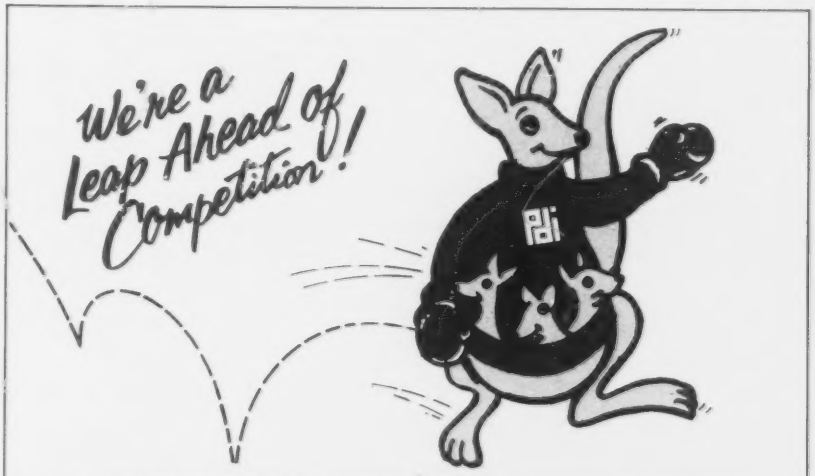
Editors should get involved in every facet of the publication process

New York City—Editors should view themselves as the managers of their magazines and be involved in all the processes of publication, from production to promotion, recommends Peter Jacobi, editorial consultant.

"You make yourself more useful to the magazine when you do this," Jacobi emphasizes.

It doesn't hurt an editor to take courses in management or read books about managing, he suggested. The more involved an editor is in the whole publishing process, the more valuable he becomes to that publication, and this can mean getting involved outside just the editorial realm.

"Take responsibility for the cov-



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McCall's still top freelance market

Top magazines pay, on average, $.50 to $1.00 per word

Cincinnati—For the second year, *McCall's* heads the list of the top 100 magazine markets for freelance writers, as ranked by *Writer's Digest*.

For its fourth annual ranking, *Writer's Digest* sent out questionnaires to editors of hundreds of consumer magazines asking for such details as how many manuscripts are purchased per year, minimum and maximum word rates and policies regarding kill fees, rights purchased and when the author gets paid. Answers were weighted with more points going for such items as number of manuscripts purchased and payment rates than rights purchased or whether authors could see prepublication galleys.

Results appeared in the 1985 *Writer's Yearbook*. *Reader's Digest* moved up from third place in 1984 to second place in 1985. *The New York Times Magazine*, in third place, is new to the top 100 as is *Vanity Fair*. Publications which were on the list last year but have just moved to the top 10 this year include *Sports Afield*, *Food & Wine* and *Redbook*.

Other points about magazines as freelance markets, revealed by the survey, include the following:

•Number of manuscripts purchased ranged from as few as 15-20 (*Money*) to 2,500 briefs (*Grit*) and 2,500 features and columns by *Sunday Woman*. About half the magazines purchased between 100 and 300 freelance articles per year.

•The majority of magazines pay between $.50 and $1.00 per word. The highest maximum rate is $3.00 per word by *Architectural Digest* (the magazine's minimum is $1.00). *Parade*, which ranked 17, pays a maximum of $2.50 per word (minimum $1.00). Six other magazines, including ninth-place *Redbook*, have maximums of $2.00 per word. Lowest minimum rate is $.05 per word paid by *Moody's Monthly*, a religious publication. There are seven other magazines in the top 100 who pay $.10 or less as a minimum word rate, including *Writer's Digest*.

•Almost all the magazines say they pay on acceptance. A few say they pay half on acceptance and half on publication.

•The majority of publishers purchase First North American Rights, with the second largest group purchasing "first," "first worldwide" and "first and other" rights. Fifteen publishers buy all rights, eleven buy one-time rights and nine buy North American Serial Rights. Other rights purchased, vary with one magazine—*Metropolitan Home*—purchasing the copyright.

•Kill fees are paid as a percentage of the agreed upon price by most magazines, ranging from *Cosmopolitan*'s 10 percent to 15 percent to *Delta Sky*'s 100 percent. Most magazines offer a kill

Writer's Digest top 10 markets for freelance writers, 1985

Rank	Publication	No. ms. purchased/yr.	Minimum word rate	Maximum word rate	Kill fee	Rights bought	Author sees galleys
1	*McCall's*	400	$1.25	$1.75	20%	First North American	Usually
2	*Reader's Digest*	1,175	1.00	1.15	$500	Varies	Always
3	*The New York Times Magazine*	450	.50	1.00	$250	First North American	Always
4	*Travel & Leisure*	1,000	.30	.80	25%	One Time Rights	Usually
5	*Sports Afield*	1,070-1,120	.36	1.25	Varies	First Rights	Sometimes
6	*Signature*	220	.50	1.00	25%	First North American	Always
7	*Vanity Fair*	320	1.00	1.00	25%	First North American serial	Always
8	*Food & Wine*	150	.60	1.25	25%	First worldwide rights	Always
9	*Redbook*	250	.25	2.00	25%	First North American	Usually
10	*Parents*	220	1.00	1.00	$250	First North American serial	Usually

Source: 1985 *Writer's Yearbook*

***Your magazine would fit the "average" profile** of the top 100 magazine markets if you buy between 100 and 300 manuscripts per year, pay on acceptance between $.50 and $1.00 per word, offer a kill fee of 25 percent, purchase First North American Rights and always let authors see prepublication galleys.*

partment of journalism and telecommunication, Arizona State University and previously held executive positions at *Time, Newsweek, This Week, Redbook* and the Gannett Corporation. Waggaman is associate director, advertising services at *Newsweek*.

The book costs $24.95 and is available from Praeger Publishers, 521 Fifth Avenue, New York, New York 10175.□

Cosmo: top seller at colleges

More bookstores carrying women's lifestyle magazines

Westbury, N.Y.—Sales of women's magazines in college bookstores are picking up considerably, according to the *College Store Executive*'s 1985 survey of college store managers.

The survey shows that the top seller among all magazines in these stores is *Cosmopolitan*. And, says *CSE* marketing director Steven Caming, "this is the first time we've seen women's lifestyle in the top three categories of magazines carried in the largest number of college bookstores" (85.44 percent of the stores carry them). The growing sales for women's magazines reflect the older student population in general and the return to school of more and more women, he maintains.

The magazine category represented in the most college bookstores is arts, entertainment/humor (87.97 percent of stores carry this category); the second most carried category is business and news (86.87 percent).

Other categories and the percentage of stores in which they are stocked include social and literary (83.54 percent), sports/outdoors (82.91 percent), science (79.74 percent), specialty (79.11 percent), computers/electronics (79.11 percent), home and family (73.41 percent), food/health (63.92 percent) and adult sophisticate (51.26 percent).

In terms of single-copy sales, *Glamour, Vogue* and *Mademoiselle* ranked along with *Cosmopolitan* in the top 10. New to the top 10 this year is *Gentlemen's Quarterly*, the leader among the specialty titles.

People ranked in second place among the top sellers, followed by *Playboy* in third place. *Penthouse* also made the list. *Newsweek* ranked sixth and *Time* ranked eighth. Both the newsweeklies were carried in more college stores than any other publication. Caming attributes this to the elections and Olympics in 1984.

According to the survey, the specific magazines carried this year by the greatest number of college stores are, in order, *Newsweek, Time, Cosmopolitan, Glamour, People, Sports Illustrated, Rolling Stone, Vogue, U.S. News & World Report, Psychology Today* and *Omni*.

Caming thinks the college student is becoming more sophisticated in magazine tastes and is beginning to read more for information than entertainment.

Adult sophisticates did not do too well in this year's survey, he points out. They ranked eleventh (last) among the categories stocked by stores. And *Playboy* toppled from number two last year to number 19 this year, in terms of the number of stores carrying it.

The upsurge in stocking and selling women's lifestyle publications reflects a growing interest among students in dressing well, says Caming. He also mentions (parenthetically) that more and more college bookstore managers are women.□

Top 10 bestsellers in college bookstores

1. *Cosmopolitan*
2. *People*
3. *Playboy*
4. *Glamour*
5. *Vogue*
6. *Newsweek*
7. *Penthouse*
8. *Time*
9. *Gentlemen's Quarterly*
10. *Mademoiselle*

Source: *College Store Executive*

The appearance of Glamour, Vogue *and* Mademoiselle *in the top 10 list, in addition to* Cosmopolitan*'s preeminent place, reflects the growing importance of women's lifestyle publications to the college retailer.*

This announcement appears as a matter of record only

THE BROTHERS NETWORK, INC.

Metuchen, New Jersey

Publishers of

Enroute
American Towman
Computers-R-Digital

$250,000

3 Year Engagement Letter

Magazine Funding, Inc.

Princeton, New Jersey

April, 1985

first hike in this charge since 1976. That service provides mailers with notification when a person has moved, providing the piece is endorsed "address correction requested."

As for pieces designed to look like bills, invoices or statements of accounts, USPS has clarified long-standing rules governing the placement and design of required "warnings" that must appear on the envelope to inform recipients that the piece is not a bill. The rule clarifications were passed because of recent instances of solicitations resembling bills with the warning camouflaged to be less noticeable to the consumer.

The new rules say the warning cannot be obscured by surrounding it with other words of similar size print, or with symbols that detract from the warning's conspicuousness. The rules also incorporate a diagram that shows the warning positioned on a diagonal starting at the lower left-hand corner, with a dotted line extending to the right-hand corner.□

Top U.S. magazines in annual foreign newsstand sales

Penthouse topped all other United States-based magazines in foreign single-copy sales, with annual foreign receipts of $9,180,000, according to the recently released Boart's Report of Overseas Sales of American Magazines, a study that was based on a June 1984 Audit Bureau of Circulations (ABC) report. Figures are based on the single ABC-reported issue and do not represent the average sales reported for the period.

Playboy ranked second in this most recent *Boart's Report*, but had been number one in the last report, which was based on a December 31, 1983 ABC report. *Playboy*'s foreign receipts dropped this time by $711,828, while *Penthouse*'s rose by $1,224,000.

Among the newcomers to the most recent top 10 listing were *National Enquirer* at fourth place, *Life* at fifth place, *Business Week/World Wide* at seventh place, *Gallery* at eighth place, and *Byte* at 10th place.

Boarts' foreign sales reports do not include sales in Canada. The New York-based international distributor arrived at total foreign sales figures by multiplying each magazine's foreign sales of its ABC-reported issue, by each magazine's annual frequency, and by its cover price. The latest report analyzed 239 publications. Publications chosen for study are not limited to those distributed by Boarts.

Magazine	Annual foreign sales in dollars*	Foreign copies* (ABC-reported issue)	U.S. copies (ABC-reported issue)	Foreign copies as a % U.S. copies	Cover price	and annual frequency
1. *Penthouse*	$9,180,000	255,000	2,640,997	9.6	$3.00	12
2. *Playboy*	7,544,700	209,575	2,170,129	9.6	3.00	12
3. *Playgirl***	2,114,938	59,744	392,778	15.2	2.95	12
4. *National Enquirer*	1,729,208	51,160	4,217,089	1.2	.65	52
5. *Life*	1,671,600	55,720	975,443	5.7	2.50	12
6. *Muscle & Fitness*	1,505,243	42,521	285,746	14.8	2.95	12
7. *Business Week/ World Wide*	1,413,490	10,873	21,497	50.5	2.50	52
8. *Gallery*	1,243,749	31,891	431,470	7.3	3.25	12
9. *Easy Riders*	1,153,020	38,434	253,478	15.1	2.50	12
10. *Byte*	1,100,778	26,209	83,529	31.3	3.50	12

*Excludes Canada, includes U.S. possessions, military
**Figures supplied by publisher
Source: Boarts International, Inc.

Camera-ready art

Peoria, Ill.—Three new volumes of camera-ready art—two on travel and one on food service topics—have been published by Dynamic Graphics, Inc. The collections feature a variety of illustrative styles including pen-and-ink sketches, pictograms, cartoons, photo conversions and airbrush renderings. Art is printed on heavy glossy stock and loose-leaf bound in permanent binders.

Resort, Travel & Recreation Graphics, Volumes 1 & 2 offers illustrations of popular destinations, vacation locales and people in sports and leisure activities. *Menu & Restaurant Graphics, Volume 1* provides 229 illustrations plus more than 20 menu layouts. Subjects include prepared foods, dining scenes, decorative motifs.

Cost of *Resort, Travel & Recreation* is $79.95 for each volume, or $129 for the set. *Menu & Restaurant* is $64.95. Contact: Dynamic Graphics, Inc., 6000 N. Forest Park Drive, P.O. Box 1901, Peoria, Ill. 61656-1901.□

Playboy going perfect

Chicago—Starting with its October 1985 issue, *Playboy* will switch from saddle-stitched to perfect binding. The magazine's famous centerfold will be accommodated on a double fold.

Chuck Stentiford, *Playboy*'s senior vice president and advertising director, says the change will allow much greater flexibility for accepting inserts, greater possibilities for demographic editions, and will substantially reduce advertisers' production costs on supplied

1984: A billion dollar year for acquisitions

It wasn't just the hefty price tags that distinguished magazine sales last year; a number of deals were public and much information was revealed

BY JAMES B. KOBAK

1984 was at least a billion dollar year for magazines—magazine sales, that is. Just take a look at those sale prices that have been published. (See chart at right.)

Although these are the reported prices, possibly slightly incorrect in some cases, the point is that they add up to $1.024 billion. And, of course, a number of other properties changed hands—such as *Learning* to Springhouse, *Darkroom Photography* to Trailer Life, *Country Journal* to Historical Times, *Saturday Review* to this year's buyer, and lots of others whose sales prices are *not* public. In 1985, the acquisition fever continues. In February, Si Newhouse offered $125 million for the remaining shares of The New Yorker.

But it wasn't just the hefty price tags that distinguished magazines sold in 1984 from other sales in other years. A number of the major deals were public—and much information about prices, revenues and earnings became available.

And boy, were the transactions public! It seemed that almost every day some publication (often more than one)—perhaps *The New York Times, Washington Post, Business Week, Ad Age* or *AdWeek*—was reporting on who was buying, what they were paying, and why they were interested.

The reason for all the coverage seems obvious. Aside from the intrinsic newsworthiness of the subject, at some time or other everyone in the business wonders just how valuable magazines are. This was one of the rare chances to really get a feel for the subject.

And it gives us the opportunity now to analyze the question, using the information available.

Let me begin with a few conclusions:

• *Magazine prices are very high.* Magazines sell for multi-

James Kobak of Darien, Connecticut, has been a management consultant since 1971. He was previously administrative partner of J.K. Lasser & Co. and international administrative partner of Lasser, Harmood Banner and Dunwoody.

Major 1984 magazine acquisitions

$ millions

U.S. News & World Report
To: Mort Zuckerman
$100.0

Billboard
To: Group of employees
$40.0

Interior Design and *Corporate Design*
To: Cahners
From: Whitney
$25.0

Ziff-Davis consumer magazines
To: CBS
$362.5

17% of The New Yorker
To: Si Newhouse
$25.5

Institutional Investor
To: Capital Cities
$72.0

Art in America
To: Peter Brandt
From: Whitney
$5.0

New Woman
To: Rupert Murdoch
$20.0

Gourmet
To: Conde Nast
$24.0

Ziff-Davis business magazines
To: Rupert Murdoch
$350.0

ples far above those for most businesses, as well as for much more than they did just a few years ago. Businesses in most fields can expect prices in the area of 3.5 to 7.5 times earnings before taxes. In recent years, we have seen magazine sales priced at anywhere from five to 10 times earnings. But in 1984, the public sales went for 6.9 to 50 times earnings before taxes, far higher than before.

It appears that the financial world has finally begun to appreciate the magazine business. Now we can go down to Wall Street without feeling like second-class citizens.

- *There are no short-cut valuation formulas.* People in business always try to find short cuts when determining what a property may be worth. I am sure you have all heard that a magazine's value is equal to one year's sales. Or that they sell for five times earnings before taxes. Or that the price should be the total of profits for the past three years. Or any one of 100 other short-cut formulas.

If you haven't thought about all those homemade truths being misleading—as they always have been—examine the sales in 1984 and you will quickly realize that there are no short cuts to determining a magazine's value. You really have to study every property very, very carefully to get a feeling for its worth.

- *Don't underrate the glamour factor.* Aside from its inherent earning power, just about any magazine has a glamour factor that must be kept in mind when the magazine's value is being determined.

A magazine, by its nature, has more excitement than almost any other business. It is fun to point to your magazine on the coffee table or on the newsstand and tell your friends that you own it. And, magazine publishing is a business that allows you to influence opinion, whether it is about making machine tools more efficiently or determining the latest trends in fashion.

Glamour factor affects price

That glamour factor came into play in all the sales we are discussing, but probably nowhere as much as with *U.S. News & World Report.* After all, there are only three newsmagazines—and there may never be another chance to buy one of them. Their influence is enormous, the publisher is privy to the inner workings of virtually everything everywhere, and he can get an audience with anyone in the world, at any time, if he wants.

- *Only a few want any one property.* There are literally hundreds of people in the market to buy magazine properties. But when any one magazine becomes available, there are only a handful of serious contenders. The reason, of course, is the field the magazine serves—a factor of great importance. There are some fields with which you do not want to be associated, others to which you don't relate (I am a golfer and would never want a tennis magazine). Some people want only an upscale magazine, or a regional, or a very small one, and on and on.

We saw this in the 1984 sales: Although there was a lot of public talk about the potential buyers, in the end only a handful put in serious bids for each property.

- *Get a higher price by selling piecemeal.* It is very often true that, if you have a group of magazines, you can get a higher total price by selling them piecemeal, rather than all together.

Split into two groups

In the 1984 sales, the Ziff-Davis magazines were split into two groups: business and consumer. Of the Whitney magazines, *Interior Design* and *Corporate Design* went to Cahners; *Art in America* went to Peter Brandt; and the remaining magazines have not yet been sold. The *Design* magazines actually sold for a higher price than some bidders were offering for the entire company. And a number of the bidders, had they been successful, would have sold some of the other properties after buying them.

In the Whitney case, the group I was working with valued the company as a whole and each property individually. For Ziff-Davis, another group did it three ways: the total company, the consumer and business properties separately, and each magazine individually. The finer we did it, the higher the total price became.

- *You can determine price from outside.* Publishing is a very public business. Even when the inner secrets are not revealed, if you know the business well, you can determine how well properties are doing by constructing their operating statements from the outside.

Consider that you can read the magazine to determine how good its editorial material is. You can count the advertising pages and—because generally the rate card is adhered to—you can estimate advertising income. Most magazines have their circulations audited. Costs are known for each item in the business. And *voila!* You can estimate the profits.

Take *U.S. News* as an example. When the concept of a sale first became public, I constructed a profit and loss statement from the public information and determined what I thought the magazine should sell for (when one of the many interested newspaper reporters asked about it). Later, when I was helping one of the contenders and had an opportunity to see all the real figures, I found that my opinion did not change—and indeed, that I had reached a value that was about the same as I believe was paid by Mort Zuckerman.

Until recently most magazine sales have been very private transactions. Consider that magazine publishing is a small business and we all know one another. Many sales are made directly between two principals who may know each other well from industry and association functions. In a number of other instances, either I or some of the other "outsiders" who are active in the field have been involved.

The sales of *Learning, Darkroom Photography, Coun-*

try Journal, Saturday Review, Gourmet and *New Woman* were typical of the normal way things work in the business: They were all arranged privately.

But as I said at the beginning, 1984 was unusual. Not only were many sales public, but for the first time in recent years, the auction method of sale, conducted by some of the most prestigious Wall Street firms, was used—not once, but in a number of cases.

1984 was also very unusual because so many companies were announcing that they were for sale. More typically, buyers have to dig up the properties they think they want, and then approach the owners. In such instances, the owners will not have given the subject much serious thought—much less have announced intention to sell!

I was fortunate enough to be helping one of the potential buyers in the auction-type sales of Ziff-Davis, *U.S. News*, Whitney and Billboard. Although each case was different (and, unfortunately, none of those I helped was the eventual buyer), the general process that was followed went something like this.

First, a Wall Street firm briefly wrote up the property and sent the description to all the logical prospects they and the owner felt should be contacted. These prospects included individuals, large companies, foreign publishers, and possibly others. The write-ups ran from 40 to over 100 pages. The quality of some was not very high because of the financial firm's lack of understanding of the magazine business. Overall, however, they were good enough to enable someone who understood the industry to reach some preliminary conclusions.

Second, based on this write-up, the potential buyers were asked to submit bids (in two of the cases) by a certain date about two or three months away. After that, the financial firm and the seller determined which candidates would be eligible to receive really detailed information and to meet with the key people in the seller's company. I was not privy to the criteria used to make this judgment, but it probably included such things as price, ability to pay, compatibility of the operations and the people, and the like.

Third, each bidder then submitted lists of additional material he wanted, which was considerable. The financial firm accumulated all the data asked for by any of the potential buyers and gave copies to everyone who made the finals. (They should have included filing cabinets, there was so much.) We found, incidentally, that nothing asked for was not answered—and usually was answered very thoroughly.

Finally, after these initial procedures, we were given the opportunity to discuss the operations, plans, and so on with the key people in the company. They were very cooperative. Then another deadline was set for submitting final bids. These could be either for the entire operation or just for parts. An outline of the method of purchase was also submitted by the prospective buyer to the seller.

Shortly thereafter, the seller, presumably with the help of the financial firm, announced the winner.

In two cases (Ziff-Davis and Billboard) the two-step-bid approach was not used. The serious candidates were allowed access to further information and to the key people in the organization—and submitted just one bid.

Does the auction method serve the purpose?

Critiquing this method of selling magazines, I have to conclude that, as with most things in life, there are times when it works well, and times when it does not. For Ziff-Davis, it seemed to work well. Because of the peculiar situation of *U.S. News*, the profit-sharing trust, etc., it may have been the only way. I am not sure that Whitney could not have done the transactions just as well by themselves. It does not seem to have helped Billboard, which could have sold to the employees in any case.

"There are hundreds of people in the market to buy magazine properties. But when any one magazine becomes available, there are only a handful of contenders. The reason, of course, is the field the magazine serves."

I think there are considerations on both sides that should be kept in mind when comparing this type of process and the private sale:

- The auction sale takes place within a reasonable period of time, whereas the private sale often gets tangled up in haggling that can seem to go on forever.
- In an auction, the time of the organization's key people is completely absorbed with dealing with prospective buyers—to the point where normal operations no longer exist. How much this can hurt operations depends on the given situation. There was some feeling that *U.S. News* lost ad pages because of all the publicity.
- Employees at the company for sale have to be in an emotional abyss while the investigation is being made, since they have no idea who will win. They have to feel that the decision will be made on price rather than on the fit

of the organizations, which is often a major factor in private sales.

- Many prospective purchasers in an auction spend lots of time and money investigating whether they should buy and how much they should pay. They probably look at companies that they really should not have considered. On the other hand, a more casual approach often makes it too easy to ignore a potential opportunity.
- There must be a considerable cost to the seller for the Wall Street firm's service.

Analyzing specific sales

Let's see if we can analyze each of the sales from the information publicly available. Please understand that the published prices paid are not always completely accurate, the revenues and profits reported invariably require adjustment when you actually get into the operations, and many other factors come into play. Thus, conclusions are subject to considerable refinement.

I have also related the prices to 1983 profits. It is probable that 1984 figures will be somewhat better and that some of the buyers may have borne this in mind. So although the ratios I have developed are probably somewhat off the mark, they should not be too far from the actuals.

Working capital normally included

Prices of magazines normally are determined assuming that working capital necessary to carry on operations is included among the assets sold. In some cases under consideration, the buyer had to provide working capital in addition to the price paid. This has been added in determining the price:earnings ratios. In other cases, there were considerable assets in addition to the magazines and the necessary working capital. In these cases, these assets were deducted from the total paid in order to determine the price:earnings ratios.

Ziff-Davis consumer magazines to CBS

Price	$362.5 million
Estimated working capital needed	10.0
Total price	372.5
Revenue (1983)	140.0
Operating profit before taxes (1983)	30.0
Price:earnings ratio before taxes	12.4 times

This is the largest and most successful special interest group of publications in the country. The company has been superbly run, with profits for the group of more than 20 percent. The magazines (except for *Modern Bride*) all appeal to men and are sold in combination to advertisers, as well as individually. Almost all are the leaders in their fields.

All the magazines are mature and have no great growth prospects other than that obtained by higher prices and slowly increasing circulation and advertising. Some of the fields covered are temporarily depressed and may develop much larger advertising in the near future.

Ziff-Davis business magazines to Rupert Murdoch

Price	$350.0 million
Estimated working capital needed	5.0
Total price	355.0
Revenue (1983)	86.0
Profits before taxes (1983)	30.0
Price:earnings ratio before taxes	11.8 times

This group of magazines and other properties consists of publications covering two fields—travel and meetings and aviation. The business is superbly run. Profits are more than 30 percent of revenue. There is a virtual monopoly in both of the fields. While the aviation field is mature, travel is expected to continue to grow.

***U.S. News* & *World Report* to Mort Zuckerman**

Price	$100.0 million
Revenue (1983)	127.0
Operating profits before taxes (1983)	2.0
Price:earnings ratio before taxes	50.0 times

U.S. News was sold in conjunction with the sale of some Washington real estate and a computerized typesetting company. The total price was $160 million. The value assigned to the magazine is my estimate, which may be incorrect.

There were several problems for prospective buyers. The company owned only half the real estate, which had not yet been developed. Mr. Zuckerman owned the other half and was very familiar with its worth.

A contingent liability also existed in the form of a lawsuit that had been brought by employees who had retired in prior years. For many years, most of the stock was owned by the profit sharing trust. In the past when employees retired, they were paid for their shares at a price that was just a fraction of what the company was eventually sold for. In a class action suit the retired employees are claiming that they should have received a great deal more than they did. It is all very complicated and will undoubtedly be fully covered by the press in coming months. The amount involved in the suit could be many millions. This could add a lot to the price. (For more on this aspect of the sale see FOLIO:, January 1985, page 15.)

Editorially, the magazine is good and has a different slant than either *Time* or *Newsweek*. It has less circulation than either of the others and its advertising is also much lower. It appears that advertising can be increased and some costs reduced. The glamour factor seems to enter the equation in a big way here.

The New Yorker to Si Newhouse

Price	$ 25.5 million for 17%
Price for entire company	150.0
Revenue (1983)	75.0
Operating profit before taxes	8.3
Price:earnings ratio	18.3 times

The New Yorker's principal product is, of course, *The New Yorker* magazine, although it also owns *Horticulture* and a printing company in Colorado. *The New Yorker* is, of course, highly profitable, but in the mature era of its life cycle.

Magazine values are normally determined as if the property is sold with the assets necessary to carry it on. Excess assets are added to the price. *The New Yorker*'s balance sheet includes some $24 million of cash and securities that are excess. Deducting this from the values shown in the chart would reduce the price:earnings ratio to 15.2 times.

***Interior Design* and *Corporate Design* to Cahners**

Price	$25.0 million
Estimated working capital needed	.7
Total price	25.7
Revenue (1983)	13.0
Operating profit before taxes (1983)	3.7
Price:earnings ratio before taxes	6.9 times

Interior Design is a highly profitable business paper in a mature stage of its life cycle. *Corporate Design* is a by-product magazine that, at the time of the sale, had not yet gotten into the profit mode.

***Art in America* to Peter Brandt**

Price	$5.0 million
Estimated working capital needed	.3
Total price	5.3
Revenue (1983)	4.5
Operating profit before taxes (1983)	.55
Price:earning ratio before taxes	9.6 times

Art in America is a magazine for those interested in fine art. The magazine is in the mature stage of its life cycle.

***Gourmet* to Conde Nast**

Price	$24.0 million
Revenue 1983 (estimated)	19.0
Operating profit before taxes 1983 (estimated)	1.5
Price:earnings ratio before taxes	16.0 times

Although the estimated price paid for *Gourmet* was public, no figures were given for revenues and profits. The estimates here may be somewhat inaccurate. *Gourmet* is in the mature stage of its life cycle and has a number of relatively new competitors

***New Woman* to Rupert Murdoch**

Price	$20 million
Revenue 1983 (estimated)	17.5
Operating profit before taxes 1983 (estimated)	2.0
Price:earnings ratio before taxes	10.0 times

Although the estimated price paid for *New Woman* was public, no figures were given for revenues and profits. The estimates here may be somewhat inaccurate. *New Woman* is a relatively new entrant in the women's magazine arena.

Anatomy of the Ziff-Davis transaction

The sale of the Ziff-Davis properties involved so many magazines, so much money and so high a multiple that it is worth a closer look.

The company had been highly profitable and was very well run. (For more on this aspect, see FOLIO:, March 1985, page 20.) Furthermore, this was not one business, but 13. There were 11 consumer magazines in different fields (*Boating* and *Yachting* in one field) and a number of business properties in two fields. It was important to understand the place of each of the properties in its life cycle—and the future of the field itself. This made an intelligent study very difficult to carry out.

The Consumer Division: Efficiency and organization

The Ziff-Davis Consumer Publications Division may have been the best organized publishing operation in any major company. The magazines have similar characteristics: Each is devoted to particular groups of people, primarily men, who have deep interests in specific subjects.

Because of this, systems were in place for publishing the magazines as efficiently as possible. This does not mean that each individual magazine could do without highly skilled and creative editors and advertising people, but everything else was very well systematized. (The only exception to this was *Modern Bride*, but even here some advantage could be taken of the systems that were in place.)

Following is a capsule look at each of the properties showing the revenue, circulation, advertising pages and advertising and circulation prices—all for 1979 and 1983 or 1984 to indicate the trends—for the Ziff-Davis magazines and their principal competitors. The data have been taken from The Folio:400 and do not agree with the figures on the accounting records of the magazines.

Ziff-Davis consumer magazines

Car & Driver

Car & Driver is edited for automobile enthusiasts, owners and potential owners of a wide range of cars, trucks and automotive accessories.

After four years of sales that were at best flat, the automotive market is coming back. Sales in 1983 were above those in 1982, and 1984 sales were expected to be higher still, with a forecast for the first "10 million" car year since 1979. Expectations were that 10.5 million cars would be sold (against 9.2 million in 1983).

Predictions for the future of the automotive industry are guardedly optimistic, with projections of 10.6 million new car sales in 1985 and 11.1 million in 1990.

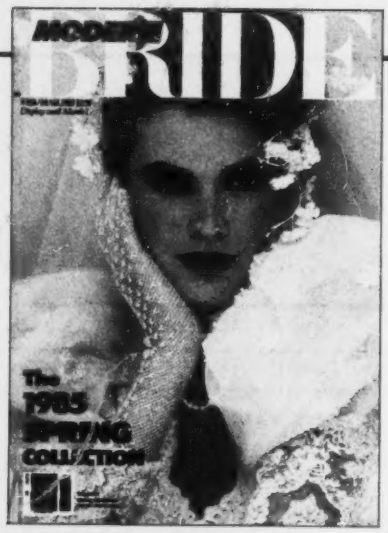
The automotive market

	1979	1980	1981	1982	1983	1984
Number of car-owning households (millions)	63.0	62.5	63.7	67.3	63.0	NA
Number of adults with driver's license (millions)	132.0	126.5	133.2	136.4	138.2	NA
Total new car sales (millions of units)	10.6	9.0	8.5	8.0	9.2	10.5
Percent of total that are imports	22.7%	28.2%	28.8%	29.3%	27.5%	25.0%

(Statistics compiled by Simmons Market Research Bureau, *Ward's Automotive Yearbook*.)

Automotive magazines

		Car & Driver	*Road & Track*	*Motor Trend*
Publisher		Ziff-Davis	CBS	Petersen
Established		1955	1947	1949
Frequency		12	12	12
Ad rate 1 time 4C	1984	$35,410	$27,005	$28,200
	1979	19,395	14,330	18,000
Rate per thousand	1984	$44.26	$37.09	$36.62
	1979	26.79	24.33	23.75
Ad pages	1983	1,051	1,208	787
	1979	888	1,085	540
Ad revenue (000)	1983	$22,933	$20,785	$16,132
	1979	11,328	8,833	7,897
Circulation (000)	1984	800	728	770
	1979	724	589	758
Subscription price	1984	$14.98	$17.94	$11.94
	1979	11.95	13.98	9.00
Single-copy price	1984	$2.25	$2.00	$1.75
	1979	1.25	1.50	1.25
Circulation revenue (000)	1983	$10,063	$11,146	$8,794
	1979	6,909	9,393	7,212
Folio: rank	1983	63	67	86
	1979	73	74	86



Modern Bride

This magazine is the bride-to-be's guide to planning her wedding, honeymoon and first home or apartment.

American Bride creates wedding gown advertisements for *Modern Bride*, arranging co-op store listings for gown manufacturers.

In 1982 and 1983, the number of marriages occurring in the United States was nearly 2.5 million—an all-time high and 16 percent more than occurred in 1975. Two-thirds of the total marriages, 1.6 million, involved young women getting married for the first time. First-time brides and their husbands account for eight out of 10 new household formations today.

The fact that brides need to buy so much for their weddings and for their new homes makes them much more likely prospects for a whole variety of products (furniture, electric ranges, luggage and so on) than their 3 percent proportion of total households would indicate.

Despite a forecast for a dip in the number of marriages throughout the rest of the decade, the changed nature of the bridal market—more mature, affluent and assuming larger responsibilities—ensures that it will sustain the rate of economic growth it has experienced in recent years.

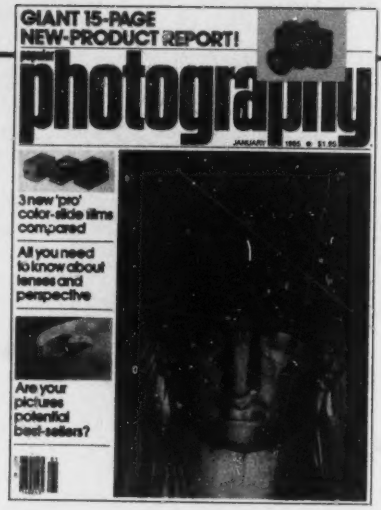
The bridal market

	1979	1980	1981	1982	1983
Number of brides (millions)	2.3	2.4	2.4	2.5	2.4
First-time brides (millions)	1.6	1.6	1.6	1.7	1.6
First-time brides (as a % of all brides)	68	67	66	66	65
Marriage rate (per 1,000 population)	10.4	10.6	10.6	10.8	10.5

(Statistics compiled by the National Center for Health Statistics, Ziff-Davis Research Dept.)

Bridal magazines

		Modern Bride	*Brides*
Publisher		Ziff-Davis	Conde Nast
Established		1949	1934
Frequency		6	6
Ad rate 1 time 4C	1984	$17,790	$18,360
	1979	11,310	11,200
Rate per thousand	1984	$53.58	$50.86
	1979	39.96	36.60
Ad pages	1983	1,540	1,841
	1979	1,215	1,298
Ad revenue (000)	1983	$16,132	$19,429
	1979	8,797	6,250
Circulation (000)	1984	361	361
	1979	283	306
Subscription price	1984	$15.00	$12.00
	1979	12.00	8.00
Single-copy price	1984	$3.50	$3.50
	1979	2.00	2.00
Circulation revenue (000)	1983	$5,986	$6,478
	1979	3,253	3,487
Folio: rank	1983	95	81
	1979	121	148


GIANT 15-PAGE
NEW-PRODUCT REPORT!
photography
3 new 'pro' color-slide films compared
All you need to know about lenses and perspective
Are your pictures potential best-sellers?

Popular Photography

This magazine serves everyone, from beginner to professional, who wants to know more about photography.

This problem market is dominated by Japanese manufacturers who believe that cameras can be made into mass market products here. Overproduction and consequent oversupply have led to inventory glut. Advertising dollars are being diverted from enthusiast media into mass media in an effort to generate mass product sales, with mixed results.

The photographic market is already seeing an increase in the number of buyers as people take advantage of the lower prices generated by the gray market. This increase in the number of camera users has created an increase in expenditures for film and photo-finishing services. It should also stimulate demand for accessories and more sophisticated cameras.

Another marketing opportunity exists in video, both in the increasing use of video cameras (which *Popular Photography* is covering in its new video section) and in the emerging applications of electronic imaging to 35mm photography.

The 35mm camera market

	1979	1981	1982	1983
Number of 35mm cameras shipped to market (millions)	3.5	4.3	5.5	6.3
35mm SLR (Single lens reflex—millions)	2.2	3.1	3.4	3.3
Other 35mm (millions)	1.3	1.3	2.1	3.0
Dollar expenditures for 35mm cameras (millions)	$705	$710	$798	$802
35mm SLR (millions)	550	573	615	578
Other 35mm (millions)	155	137	183	223
Total photographic sales (billions)	$7.1	$7.9	$8.2	$8.5
All equipment	$2.4	$2.5	$2.5	$2.3
Materials	2.5	2.9	2.9	3.2
Photofinishing	2.2	2.5	2.7	3.0

(Statistics compiled by Ian D. Robinson Assoc.)

Camera magazines

		Popular Photography	*Modern Photography*	*American Photographer*	*Petersen's Photographic*
Publisher		Ziff-Davis	ABC	CBS	Petersen
Established		1937	1937	1978	1972
Frequency		12	12	12	12
Ad rate	1984	$44,440	$37,600	$14,675	$11,070
1 time 4C	1979	27,050	21,165	4,800	7,370
Rate per	1984	$49.00	$55.38	$55.38	$39.68
thousand	1979	32.67	34.70	27.91	27.00
Ad pages	1983	1,337	1,302	613	460
	1979	1,868	1,489	320	599
Ad revenue	1983	$28,793	$13,543	$4,569	$3,931
(000)	1979	24,395	10,155	960	3,595
Circulation	1984	907	679	265	279
(000)	1979	828	610	172	271
Subscription	1984	$13.97	$13.98	$19.90	$11.94
price	1979	13.98	9.00	18.00	9.00
Single-copy	1984	$1.75	$1.95	$2.25	$1.50
price	1979	1.50	1.25	2.00	1.50
Circulation	1983	$8,679	$8,945	$3,904	$2,631
revenue (000)	1979	8,185	6,528	2,615	2,841
Folio: rank	1983	55	93	250	297
	1979	41	79	333	209

Stereo Review

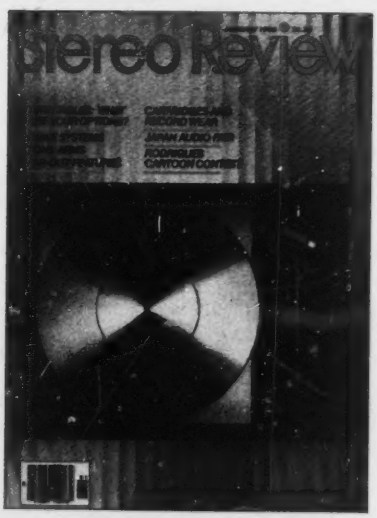
Stereo Review is edited for the stereo equipment enthusiast and for music lovers who wish to increase their listening enjoyment.

The audio market is dominated by Japanese manufacturers who believe these products can be made into mass market products here. Overproduction and consequent oversupply have led to inventory glut.

Technological developments such as "one-brand" audio systems have been directed at simplifying products in order to gain mass acceptance.

Advertising dollars are being diverted from enthusiast media into mass media in an effort to generate mass product sales, with mixed results.

While one-brand systems are cannibalizing component sales, "high end" one-brand systems represent a new marketing opportunity and a new advertising opportunity for audio enthusiast magazines. Additionally, the emerging audio-video technology is expected to create an explosion in the purchasing of these products by the sound enthusiasts to whom the audio magazines cater.



The audio market

	1979	1980	1981	1982	1983
Total factory sales (millions)	$4,288	$4,996	$4,754	$4,136	NA
Components	$1,178	$1,424	$1,363	$1,181	1,268
Audio systems	748	801	720	573	NA
Portable tape equipment	1,739	1,403	1,157	971	NA
Car stereo	623	1,368	1,514	1,411	1,470

(Statistics compiled by Electronic Industries Assoc.)

Audio magazines

		Stereo Review	*High Fidelity*	*Audio*
Publisher		Ziff-Davis	ABC	CBS
Established		1958	1951	1947
Frequency		12	12	12
Ad rate 1 time 4C	1984	$31,740	$17,110	$9,820
	1979	17,805	12,995	4,700
Rate per thousand	1984	$57.29	$44.56	$65.03
	1979	33.85	35.31	40.17
Ad pages	1983	604	378	733
	1979	940	847	1010
Ad revenue (000)	1983	$13,061	$5,283	$3,214
	1979	13,198	7,123	2,618
Circulation (000)	1984	554	384	151
	1979	526	368	117
Subscription price	1984	$9.98	$13.95	$17.94
	1979	7.98	11.95	12.00
Single-copy price	1984	$1.75	$1.95	$2.00
	1979	1.00	1.50	1.25
Circulation revenue (000)	1983	$4,315	$4,831	$1,919
	1979	3,559	3,408	1,273
Folio: rank	1983	122	208	350
	1979	78	138	303

Yachting

For pleasure-boat enthusiasts—men, women and children. The magazine places equal emphasis on the interests of both the sail and powerboat owner. For the informed powerboat and power-oriented yachting enthusiast, saltwater or freshwater, who owns a boat or is about to buy one.

Hard hit by the recession of the early 1980s, the marine market is now rebounding. 1983 saw a sharp increase in boat sales and in the total dollars spent on recreational boating; this trend is expected to be even more pronounced in 1984.

Other magazine products

In addition to the 11 consumer magazines, Ziff-Davis published a number of special interest annuals and consumer products in these same fields.

(*Other magazines sold to CBS not analyzed here include* The Runner, Skiing, Flying, Cycle, Boating, Backpacker.)

The marine market

	1979	1980	1981	1982	1983	1984
Powerboating participation						
Total in past 12 months (millions)	12.6	10.5	10.5	11.7	10.2	NA
Sailing participation						
Total in past 12 months (millions)	5.9	5.2	5.2	5.3	5.2	NA
Boat sales						
Total (000)	$503.0	$431.3	$421.2	$356.7	$410.3	$600.0
Power	$431.1	$358.2	$344.1	$303.3	$366.6	NA
Sail	71.9	73.1	77.1	53.4	43.7	NA
Total dollars spent on recreational boating (billions)	$7.5	$7.4	$8.3	$8.1	$9.4	NA

(Statistics compiled by Simmons Market Research Bureau, National Marine Manufacturers Assoc.)

Marine magazines

		Yachting	*Sail*	*Cruising World*
Publisher		Ziff-Davis	Meredith	N.Y. Times
Established		1907	1970	1974
Frequency		12	12	12
Ad rate 1 time 4C	1984	$9,375	$8,995	$5,420
	1979	5,725	6,080	NA
Rate per thousand	1984	$62.09	$51.40	$47.96
	1979	37.91	35.14	29.41
Ad pages	1984	1,800	1,415	1,687
	1979	2,275	1,549	NA
Ad revenue (000)	1983	$7,906	$8,361	$3,585
	1979	5,966	4,311	NA
Circulation (000)	1984	151	175	113
	1979	151	173	85
Subscription price	1984	$18.00	$21.75	$18.00
	1979	12.00	15.00	12.00
Single-copy price	1984	$2.25	NA	$2.50
	1979	2.00	2.00	1.50
Circulation revenue (000)	1983	$3,062	$4,185	$2,343
	1979	2,647	3,135	NA
Folio: rank	1983	196	162	321
	1979	167	184	NA

Ziff-Davis business magazines

The travel market

Travel agents account for between 70 percent and 80 percent of all airline tickets sold, and virtually all cruise-line bookings. They also account for a substantial share of all car rentals.

Although travel agents still account for a relatively small proportion of hotel bookings, the dollar volume of agents' bookings has increased dramatically since 1970, going from $600 million to $4.3 billion in 1983.

Indications are that the travel agency market will continue its pattern of growth in both absolute size and relative importance in the travel market.

The travel agency market

	1974	1976	1978	1981	1983
Number of agencies	10,260	12,240	14,804	19,203	22,633
Dollar volume of business (billions)	$11.0	$14.9	$19.4	$31.0	$43.7
Average dollars per agency (millions)	$1.1	$1.2	$1.3	$1.6	$1.9

(Statistics compiled by the Louis Harris Study of the United States' travel agency market.)

Travel agency magazines

		Travel Weekly	*Travel Agent*	*ASTA Travel News*	*Travel Trade*
Publisher		Ziff-Davis	Fairchild	ASTA	Travel Trade
Established		1958	1929	1931	1929
Frequency		104	104	12	104
Ad rate 1 time 4C	1984	$3,750	$3,270	$2,965	$2,925-3,500
	1979	3,795	2,085	1,965	2,045-2,430
Advertising pages	1983	5,706	8,151	NA	NA
	1979	5,516	7,384	NA	7,000
Circulation (000)	1984	40.1	29.7	19.5	26.0
	1979	37.0	30.0	17.0	21.2
Subscription price	1984	$16.00	$9.00	$10.00	$8.00
	1979	9.00	5.00	10.00	5.00
Folio: rank	1984	NA	172	NA	NA
	1979	126	188	NA	192

Hotel and Travel Index

This publication is a hotel directory used by travel agents, tour operators, corporate travel planners, and hotel and airlines reservations desks for help in recommending/selecting accommodations and travel related services for individuals and groups, for business or pleasure travel.

World Travel Directory

(Directory of travel agents)

Established	1969
Frequency	1
Ad rate 1 time 4C	$3,485
Circulation (000)	8.5
Circulation price	$75
Ad pages 1984	26
1981	95

Travel Weekly

For those in the retail and wholesale industries engaged in the sale or promotion of travel and related services and their suppliers.

Official Hotel & Resort Guide

This is an accommodations directory edited for travel agencies, tour operators, motor clubs, airlines, corporate travel departments and convention planners.

Established		1963
Frequency		1
Ad rate 1 time 4C	1984	$9,010
	1979	4,520
Circulation (000)	1984	21.0
	1979	13.1
Per-copy price	1984	$215
	1979	155

The meetings market

The Ziff-Davis Business Publications Division serves two types of meeting planners: corporate meeting planners and association meeting planners. Associations account for the majority of the dollars spent.

Meetings & Conventions

Serves the field of meetings, seminars, conferences, exhibits and conventions. "Incentive World," included in each issue, is devoted to incentive travel.

The meetings market

	1979	1981	1983
Number of meetings (thousands)			
Total	1082	1204	1248
Corporate	877	1010	1020
Association	205	194	228
Dollar expenditures (billions)			
Total	$16.8	$24.8	$27.8
Corporate	5.7	8.5	9.1
Association	11.1	16.3	18.7
Dollars per meeting (thousands)			
Total	$15,500	$20,600	$22,300
Corporate	6,500	8,400	8,900
Association	53,700	84,000	82,000

(Statistics compiled by *Meetings & Conventions* meeting market survey, projected to total United States' market.)

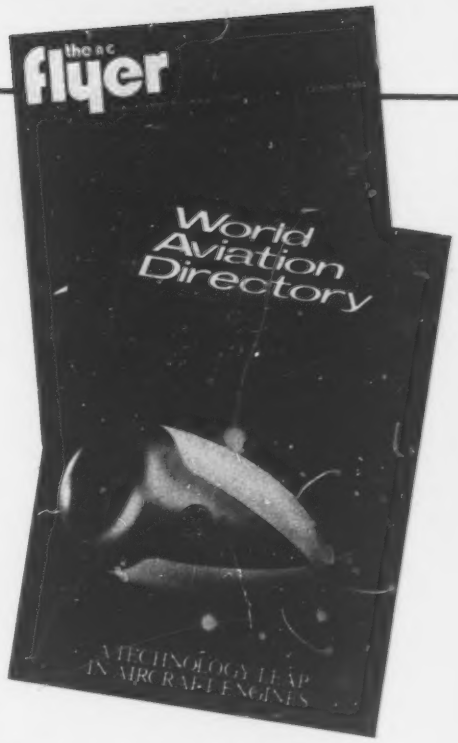
Meetings magazines

		Meetings & Conventions	*Meeting News*	*Successful Meetings*
Publisher		Ziff-Davis	Gralla	Bill
Established		1966	1976	1952
Frequency		12	12	12
Ad rate-1 time 4C	1984	$9,600	$7,050	$7,510
	1979	5,510	3,550	4,615
Ad pages	1983	1,784	1,693	1,190
	1979	1,559		1,154
Circulation (000)	1984	78.1	70.5	77.0
	1979	73.6	56.6	70.4
Folio: rank	1984	173	244	332
	1979	232	NA	311

Official Meeting Facilities Guide

For corporation, association and travel agency executives responsible for business meetings, convention and/or incentive travel site selection and transportation planning.

Established		1974
Frequency		2
Ad rate 1 time 4C	1984	$4,940
	1979	13.7
Circulation (000)	1984	15.9
	1979	13.7
Ad pages	1983	1,636
	1981	1,568
Circulation prce	1984	30
	1979	15



The aviation/ aerospace market

The Ziff-Davis Business Publications Division serves three segments of the aviation and aerospace market.

1. Users and suppliers of equipment and support services for business and corporate aircraft. There are approximately 20 aircraft manufacturers and six to 10 major avionics manufacturers serving this market. The corporate/business aviation fleet has about 60,000 aircraft.
2. Buyers and sellers of used aircraft.
3. Operators and suppliers in the air transport industry and suppliers to the military and aerospace markets.

Aviation Daily

Subscribers	About 3,000
Price 1984	$795
1983	$750
1982	$680

Aerospace Daily

Subscribers	About 3,000
Price 1984	$829
1983	$750
1982	$680

World Aviation Directory

The standard reference directory of people, products and companies in the aviation/aerospace industry worldwide.

Established		1940
Frequency		2
Ad rate 1 time B/W	1984	$3,100
	1979	1,780
Circulation (000)	1984	13.5
	1979	11.1
Price	1984	$150 (two issues)
	1979	$50 (one issue)
Ad pages	1983	776
	1981	628

A/C Flyer

- Index of aircraft listed for sale.
- Maintenance Directory lists service centers.
- FBO Facilities Directory lists FBOs.

Established		1972
Frequency		12
Ad rate-1 time 4C	1984	$3,700
Circulation (000)	1984	81.1
Ad pages	1983	695
	1981	713

Business aviation magazines

		Business & Commercial Aviation	*Aviation Convention News*	*Professional Pilot*
Publisher		Ziff-Davis	Convention News	Queensmith
Established		1958	1972	1966
Frequency		12	6	12
Ad rate 1 time 4C	1984	$13,355	$5,350	$6,500
	1979	6,750	3,045	3,800
Circulation (000)	1984	51.7	25.0	34.5
	1979	50.4	14.2	30.6
Ad pages	1984	1,128	NA	NA
	1979	1,039	NA	NA
Folio: rank	1984	256	NA	NA
	1979	241	NA	NA

Business Aviation

Subscribers	About 2,000
Price	$210
Issues	52

Business and Commercial Aviation

For those who own and/or are responsible for management, operation and maintenance of business type aircraft (including commuters and helicopters).